

Multi-use Stadium Project

April 2021



Stadium Project Background Information

- ▶ Multi-sport
 - ▶ Field will be configured for baseball and other sports that use a rectangular field
- ▶ Multi-use
 - ▶ Concerts, festivals, markets, community events, corporate events, weddings, and more.
- ▶ Public amenity
 - ▶ Concourse open for public use, except during events.
- ▶ Redevelopment project
 - ▶ Turning a decades-vacant area into an asset
- ▶ Economic development project
 - ▶ Private investment and jobs







STADIUM AERIAL LOOKING N

Stadium Project Background Information

- ▶ Publicly owned by Sports Authority
- ▶ Land for stadium will be donated for the project
- ▶ Stadium will be leased to Boyd Sports for Tennessee Smokies baseball
- ▶ City and County will have guaranteed booking for a set number of community events
- ▶ Boyd Sports will market the stadium for events such as concerts, festivals, and other events
- ▶ GEM Community Development Group will lead private development around stadium

Stadium Project Impact and Our Community

- ▶ Redeveloping vacant property
- ▶ Public amenity open to surrounding community
- ▶ “Civic Furniture” important to retain and attract talent
- ▶ Jobs
- ▶ Small business growth
- ▶ Civic pride
- ▶ Affordable family activity
- ▶ Community process
- ▶ Sustainable design
- ▶ Workforce and small business development
- ▶ Local labor recruitment
- ▶ Partnerships with neighborhood schools

Sports Stadium Financing

- ❖ Vast majority of stadiums, including minor league baseball stadiums, in the United States are publicly owned and/or publicly supported.
- ❖ The use of public stadiums by professional sports teams has been common for over a century.
- ❖ In Knoxville, professional baseball teams first used a municipal stadium at least 100 years ago.
- ❖ Public Stadiums financed in TN use a Sports Authority (or IDB) structure
 - ❖ Bonds are payable from identified revenue sources
 - ❖ If there is a funding gap, City/County agree to make it up through non-property tax revenue.

Likely Revenue Sources

Revenue Source	Predictability of Source	New or Existing	Likely Percentage of Debt Service/Cost	Verification Approach
Sales Tax Revenues from Stadium (Existing Law with Minor Changes)	High; small risk from future pandemics or loss of franchise	New	15% to 22%	Third-party consultant study
State of Tennessee Grant	High	New	19% to 22%	State Budget
Rent from team	High; only risk is bankruptcy of team	New	22% to 30%	NA
Incremental property tax revenues (as a TIF or PILOT) from adjoining development	High; like property tax collections	New	17% to 30%	Confirmation of tax assessment by assessor; Development Agreement
Non-Property Tax Revenues of City and County (50/50 split)	High	New and Existing	0% to 30%	Third-party consultant study as to new revenues

Proposed Process and Timeline

- ▶ March/April: State funding process
- ▶ April 2021: Council and Commission vote on Sports Authority board appointees
- ▶ March - July 2021:
 - ▶ Community information meetings and community input on design, programming
 - ▶ Sports Authority convened, meetings to deliberate development agreements, lease and construction documents
 - ▶ Cost estimates refined and economic impact verified
 - ▶ Workshops as requested by Council and Commission
- ▶ Summer 2021:
 - ▶ Development agreements, lease and construction documents finalized
 - ▶ Approval of interlocal agreement (all Sports Authority documents will be available)
 - ▶ Approval of bond issuance by Sports Authority
 - ▶ Approval of TIF or PILOT for adjoining private development (if required)
- ▶ Fall 2021 - Spring 2023: Construction
- ▶ Spring 2023: Stadium Open

Question and Answer

